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Monday, August 6, 2018

Florida Man Pleads Guilty to Accepting \$2.5 Million in Bribes and Kickbacks

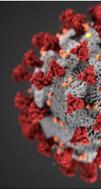
The Office of the United States Attorney for the District of Vermont announced that Bhaskar Patel, 67, of Windermere, Florida, appeared today in federal district court in Rutland to answer to charges that, while employed by Schneider Electric Building Americas, he unlawfully solicited and accepted \$2,536,119.19 in bribes and kickbacks associated with federal energy savings performance contracts (“ESPCs”) issued to Schneider Electric by various federal agencies. The Information filed in the case covers the time-period between June 6, 2011 and April 19, 2016. Chief District Court Judge Geoffrey W. Crawford accepted Patel’s guilty plea to both of the counts charged in the Information and released Patel on conditions. Judge Crawford ordered Patel to be back in U.S. District Court on December 7, 2018 for sentencing.

According to court documents, law enforcement initially received information that Patel had altered and falsified a bid document submitted to Schneider Electric by a Vermont subcontractor. That subcontractor was bidding for work on an ESPC at the United States Department of Veterans Affairs, White River Junction, Vermont Medical Center (“VA-WRJ”). Patel selected a different subcontractor to work on Schneider’s project, and – in order to cover his tracks – falsified the losing local bid. From there, investigators uncovered a wide-ranging scheme to defraud the federal government, whereby Patel received in excess of \$2.5 million in illegal bribes and kickbacks in exchange for awarding a piece of Schneider Electric’s enormous federal contracts to subcontractors who agreed to pay bribes and kickbacks for the work. Patel directed the subcontractors to pay him by check, often diverting funds through his adult son and daughter, and insisting on a bogus reference notation.

For each contract named in the Information, Patel, a Senior Project Manager, was authorized and directed by Schneider Electric to obtain bids from subcontractors and

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recommend for selection the subcontractors that would be awarded a contract under an ESPC.

According to the Information, Patel accepted illegal kickbacks and bribes in connection with a \$70 million project for the United States Coast Guard (“USCG”) in Aguadilla, Puerto Rico; a \$24.7 million project for the United States Department of Agriculture (“USDA”) in Albany, California; a \$12.6 million project for the United States General Services Administration (“GSA”) in St. Croix, U.S. Virgin Islands; a \$21.8 million project for GSA in San Juan, Puerto Rico and St. Thomas, U.S. Virgin Islands; a proposed project of \$42.4 million for work on the VA medical centers in Vermont, Massachusetts, Rhode Island, and Maine; and a \$114.3 million project for the U.S. Navy for work on the Naval base in Coronado, California.

Patel pleaded guilty to one count of accepting illegal kickbacks in connection with federal contracts, a violation of 41 U.S.C. §§ 8702 and 8707, and one count of accepting bribes in connection with federal contracts, a violation of 18 U.S.C. § 666. Patel faces up to ten years of imprisonment, followed by up to three years of supervised release, on each of the counts of conviction. Patel further faces a fine of up to \$5,072,238.38, or twice his ill-gotten gains. The actual sentence, however, will be determined by the Court with guidance from the advisory Federal Sentencing Guidelines. The government also filed a Notice of Forfeiture in the amount of \$2,536,119.19, which Patel agreed to as part of his guilty plea. As part of his negotiated plea with the government, the government agreed to reduce the forfeiture from \$2.5 million to \$1.75 million if Patel pays \$950,000 in forfeiture on or before his sentencing date.

United States Attorney Christina E. Nolan commended the collaborative investigative efforts of the VA Office of Inspector General, the GSA Office of Inspector General, the Naval Criminal Investigative Service, the USDA Office of Inspector General, and the Coast Guard Investigative Service, stating: “This important conviction results from a team effort by talented law enforcement officers from a cross-section of government agencies. Patel’s crime involved a sweeping fraud that harmed many federal agencies and the American citizens and government employees who depend upon them. The U.S. Attorney’s Office is committed to continuing to collaborate with our law enforcement partners in all agencies to combat large-scale financial fraud and guard against misuse, diversion, and theft of taxpayer dollars. Unmasking and combatting crimes of greed will remain a top priority of the USAO. I also commend the talented AUSAs in the district of Vermont who worked with law enforcement over the course of a lengthy investigation to achieve justice in this complex case. Our skilled prosecutors will remain focused and relentless in their pursuit of justice in complex fraud cases, in collaboration with our agency partners.”

“Federal energy savings performance contracts are intended to save VA money. Bribery and other corrupt acts by contractors instead divert and waste precious dollars intended for our nation’s veterans,” said VA-OIG Special Agent-in-Charge Sean J. Smith. “The VA Office of Inspector General will continue to work with our partners in the law enforcement community to prevent this type of fraud and hold any wrongdoers accountable.”



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USDA-OIG Special Agent-in-Charge Bethanne M. Dinkins commented, “We appreciate the commitment of the U.S. Attorney’s Office and the cooperative efforts of our law enforcement partners throughout this significant investigation. Mr. Patel’s guilty plea sends a strong message regarding the benefit of working across agency lines to protect the integrity of the procurement process throughout Government. The USDA Office of Inspector General will continue to dedicate resources to investigate those who unlawfully solicit and accept bribes and kickbacks involving USDA contracts.”

CGIS Special Agent in Charge Art Walker stated, “The Coast Guard Investigative Service is committed to protecting Coast Guard assets, personnel, and operations worldwide. CGIS Special Agents from the Major Procurement Fraud Division coordinated with federal law enforcement partners to uncover this massive scheme that defrauded the U.S. Government.”

“The GSA Office of Inspector General will continue to aggressively investigate GSA contractors who engage in bribery and kickback schemes at the expense of the government,” added Special Agent in Charge, Luis Hernandez.

NCIS Northeast Field Office Special Agent in Charge Leo S. Lamont stated, “Fraud is never a victimless crime. In this case involving bribery and kickbacks related to the mischarging of the Navy for services and construction, the victims are not just our men and women in uniform, but all American taxpayers. NCIS will continue to tirelessly pursue all those who seek to take advantage of the Department of the Navy and its interests while keeping the procurement system fair and honest.”

The United States is represented in this matter by Assistant U.S. Attorneys Abigail Averbach, Owen Foster, and Paul van de Graaf. Bhaskar Patel is represented by David Haas, Esq., of Haas Law in Orlando, Florida; and Heather Ross, Esq., of Sheehey, Furlong & Behm PC in Burlington, Vermont.

Topic(s):
Financial Fraud

Component(s):
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